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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/032,653	11/13/2001	Joseph P. Blauvelt	36287-01401	6910

27171 7590 07/09/2007  
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EXAMINER	
LIVERSEDGE, JENNIFER L	

ART UNIT	PAPER NUMBER
3692	

MAIL DATE	DELIVERY MODE
07/09/2007	PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

**Office Action Summary**

Application No.

10/032,653

Applicant(s)

BLAUVELT ET AL.

Examiner

Jennifer Liversedge

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 28 March 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Response to Amendment***

This Office Action is responsive to Applicant's amendment and request for reconsideration of application 10/032,653 filed on March 28, 2007.

The amendment contains original claims: 1-13.

The amendment contains new claims: 14-20.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claim 8 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claim 8 is drawn to software code transmitted as an information signal. Neither software nor signals are patentable subject matters.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-2, 4, 7-10 and 12-13 are rejected under 35 U.S.C. 102(e) as being anticipated by Pub. No. US 2001/0037284 A1 to Finkelstein et al. (further referred to as Finkelstein).

Regarding claim 1, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Receiving at a first terminal at least two short positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Receiving at the first terminal at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Identifying at the first terminal a selected short position from the at least two short positions and a selected long position from the at least two long positions, the selected short position and the selected long position identified by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103) and

Providing sufficient information from the first terminal to a second terminal and to a third terminal to allow a transaction between the selected short position and the

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selected long position (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

Regarding claim 2, Finkelstein discloses a method further comprising filtering the at least two short positions or the at least two long positions according to filter parameters (page 4, paragraph 27; page 5, paragraphs 33-34; page 6, paragraph 38; page 7, paragraphs 44, 47 and 49; page 8, paragraph 56; page 11, paragraphs 81-82; page 12, paragraphs 89 and 91-92; page 13, paragraph 108).

Regarding claim 4, Finkelstein discloses a method wherein the filter parameter is a member identity (page 4, paragraph 27; page 6, paragraph 38; page 7, paragraphs 44 and 47; page 8, paragraph 56; page 11, paragraph 81; page 12, paragraph 92).

Regarding claim 7, Finkelstein discloses a method wherein the at least two short positions include short positions in different securities (page 1, paragraphs 2-5).

Regarding claims 8-10, Finkelstein discloses a computer executable software code, a computer-readable medium containing executable software code and a programmed computer with a memory and processor for following the method as specified in claim 1 (page 12, paragraph 100 – page 13, paragraph 107).

Regarding claim 12, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Identifying at least two short positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Sending information on the at least two short positions to a first terminal (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79); and

Receiving sufficient information from the first terminal to allow a transaction between a selected short position and a selected long position, the selected short position one of the at least two short positions, wherein the selected short position is identified from the at least two short positions and the selected long position is identified from at least two long positions by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103), and information on the at least two long positions is sent to the first terminal (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

Regarding claim 13, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6,

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paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Identifying at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Sending information on the at least two long positions to a first terminal (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79); and

Receiving sufficient information from the first terminal to allow a transaction between a selected long position and a selected short position, the selected long position one of the at least two long positions, wherein the selected long position is identified from the at least two long positions and the selected short position is identified from at least two short positions by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103), and information on the at least two short positions is sent to the first terminal (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 5, 14-15, 17-18 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein, and further in view of US Patent No. 7,231,363 B1 to Hughes et al. (further referred to as Hughes).

Regarding claim 14, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Receiving at a first terminal at least two short positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Receiving at the first terminal at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);



Identifying at the first terminal a selected short position from the at least two short positions and a selected long position from the at least two long positions, the selected short position and the selected long position identified by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103) and

Providing sufficient information from the first terminal to a second terminal and to a third terminal to allow a transaction between the selected short position and the selected long position (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

Finkelstein does not disclose an authorized third party agent to act as a counterparty to each of the short/long position party's on-side transactions. However, Hughes discloses an authorized third party agent to act as a counterparty to each of the short/long position party's on-side transactions (column 3, lines 23-29 and 44-47). It would be obvious to one of ordinary skill in the art to modify the trading system as disclosed by Finkelstein to adapt the use of an authorized third party agent to act as a counterparty as disclosed by Hughes. The motivation would be to create a more liquid market in which the third party agent facilitates trades as well as participating as a counterparty.

Regarding claim 15, Finkelstein discloses a method further comprising filtering the at least two short positions or the at least two long positions according to filter parameters (page 4, paragraph 27; page 5, paragraphs 33-34; page 6, paragraph 38;

page 7, paragraphs 44, 47 and 49; page 8, paragraph 56; page 11, paragraphs 81-82; page 12, paragraphs 89 and 91-92; page 13, paragraph 108).

Regarding claim 17, Finkelstein discloses a method wherein the filter parameter is a member identity (page 4, paragraph 27; page 6, paragraph 38; page 7, paragraphs 44 and 47; page 8, paragraph 56; page 11, paragraph 81; page 12, paragraph 92).

Regarding claims 5 and 18, Finkelstein does not specifically disclose a method wherein the filter parameter is a limit on the number of counter parties. However, Hughes discloses a method wherein the filter parameter is a limit on the number of counter parties (column 4, lines 27-29; column 5, lines 3-20; column 9, lines 47-55; column 10, lines 47-53). It would be obvious to one of ordinary skill in the art to modify the securities exchange system wherein selection is made using filtering as disclosed by Finkelstein to adapt the use of selection filtering by number of counterparties as disclosed by Hughes. The motivation would be that investors seek to control the number of counterparties to a manageable level and therefore would filter in order to eliminate the addition of counterparties outside a comfortable level.

Regarding claim 20, Finkelstein discloses a method wherein the at least two short positions include short positions in different securities (page 1, paragraphs 2-5).

Claim 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein as applied to claim 2 above, and further in view of US Patent 7,107,229 B1 to Sullivan (further referred to as Sullivan).

Regarding claim 3, Finkelstein does not specifically disclose a method wherein the filter parameter is a percentage. However, Sullivan discloses a method wherein the filter parameter is a percentage (Figures 2-8 and 11; column 2, lines 9-25; column 4, lines 29-45; column 7, lines 12-16). It would be obvious to one of ordinary skill in the art to modify the securities exchange system wherein selection is made using filtering as disclosed by Finkelstein to adapt the use of selection filtering by percentage as disclosed by Sullivan. The motivation would be that investors seeking to maintain a particular mix of securities and/or performance level would desire to buy/sell securities which help meet and/or maintain an investors investment and performance objectives.

Claims 6 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein, and further in view of US Pub. No. 2002/0095362 A1 to Masand et al. (further referred to as Masand).

Regarding claim 6, Finkelstein discloses a method wherein identifying includes matching information associated with the at least two short positions and information associated with the at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79).

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Finkelstein does not disclose where the information is CUSIP information. However, Masand discloses where the information is CUSIP information (page 4, paragraph 71; page 5, paragraph 77). It would be obvious to one of ordinary skill in the art to modify the matching system as disclosed by Finkelstein to adapt the use of CUSIP filters as disclosed by Masand. The motivation would be that CUSIP numbers indicate the identity of the issuer and the what kind of security it is and when matches are being constructed, issuers with which the individual does not want to trade or certain types of securities that they do not want to purchase or sell could be entered in order to filter based on the parameters as described in the CUSIP number, or likewise the filtering can be done in order to present matches which the individual does wish to participate in.

Regarding claim 11, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Receiving at a first terminal at least two short positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Receiving at the first terminal at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Filtering the at least two short positions or the at least two long positions according to filter parameters (page 4, paragraph 27; page 5, paragraphs 33-34; page 6, paragraph 38; page 7, paragraphs 44, 47 and 49; page 8, paragraph 56; page 11, paragraphs 81-82; page 12, paragraphs 89 and 91-92; page 13, paragraph 108);

Identifying at the first terminal a selected short position from the at least two short positions and a selected long position from the at least two long positions, the selected short position and the selected long position identified by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103) and

Providing sufficient information from the first terminal to a second terminal and to a third terminal to allow a transaction between the selected short position and the selected long position (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

Finkelstein does not disclose where the identification is by CUSIP information. However, Masand discloses where the identification is by CUSIP information. It would be obvious to one of ordinary skill in the art to modify the matching system as disclosed by Finkelstein to adapt the use of CUSIP identifiers and filters as disclosed by Masand. The motivation would be that CUSIP numbers indicate the identity of the issuer and the what kind of security it is and when matches are being constructed, issuers with which the individual does not want to trade or certain types of securities that they do not want to purchase or sell could be entered in order to filter based on the parameters as

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described in the CUSIP number, or likewise the filtering can be done in order to present matches which the individual does wish to participate in.

Claim 16 is rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein and Hughes as applied to claim 15 above, and further in view of US Patent 7,107,229 B1 to Sullivan (further referred to as Sullivan).

Regarding claim 16, neither Finkelstein nor Hughes specifically disclose a method wherein the filter parameter is a percentage. However, Sullivan discloses a method wherein the filter parameter is a percentage (Figures 2-8 and 11; column 2, lines 9-25; column 4, lines 29-45; column 7, lines 12-16). It would be obvious to one of ordinary skill in the art to modify the securities exchange system wherein selection is made using filtering as disclosed by Finkelstein and Hughes to adapt the use of selection filtering by percentage as disclosed by Sullivan. The motivation would be that investors seeking to maintain a particular mix of securities and/or performance level would desire to buy/sell securities which help meet and/or maintain an investors investment and performance objectives.

Claim 19 is rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein, in view Hughes, and further in view of US Pub. No. 2002/0095362 A1 to Masand et al. (further referred to as Masand).

Regarding claim 19, Finkelstein discloses a method wherein identifying includes matching information associated with the at least two short positions and information associated with the at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79). Neither Finkelstein nor Hughes disclose where the information is CUSIP information. However, Masand discloses where the information is CUSIP information (page 4, paragraph 71; page 5, paragraph 77). It would be obvious to one of ordinary skill in the art to modify the matching system as disclosed by Finkelstein and Hughes to adapt the use of CUSIP filters as disclosed by Masand. The motivation would be that CUSIP numbers indicate the identity of the issuer and the what kind of security it is and when matches are being constructed, issuers with which the individual does not want to trade or certain types of securities that they do not want to purchase or sell could be entered in order to filter based on the parameters as described in the CUSIP number, or likewise the filtering can be done in order to present matches which the individual does wish to participate in.

### ***Response to Arguments***

Applicant has argued that Finkelstein does not provide "sufficient information...to allow a transaction". Examiner respectfully disagrees. Finkelstein discloses an array of automated trading systems through the background which provide for the exchange of sufficient information to allow a transaction. Further, within the summary of invention in the Finkelstein application, an automated exchange system is disclosed (for example,

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page 6, paragraph 40) in which the system provides automated trading up to and including closure of a transaction (for example, page 9, paragraph 64). Thus, Examiner asserts that there is provided sufficient information to allow a transaction. Further, as cited in the rejection above, Finkelstein further provides the code, mediums, and computer systems for carrying out the disclosed claims.

Applicant arguments regarding the use of CUSIP as a matching parameter are mute based on the new grounds of rejection.

Applicants request for documentation for Official Notice taken in the first Office Action have been provided in the current Office Action in terms of incorporated prior art in the rejections as provided above.

### ***Conclusion***

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday – Friday, 8:30 – 5 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jay Kramer can be reached at 571-272-6783. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for



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published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should

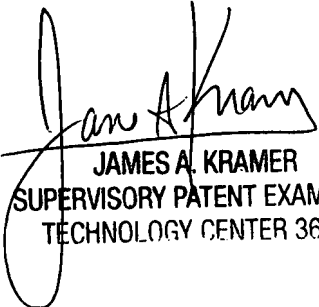
you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free).

Jennifer Liversedge

Examiner

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 6/25/07  
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SUPERVISORY PATENT EXAMINER  
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